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FM AMEMBASSY DAMASCUS
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8112
INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 0878
RHEHNSC/NSC WASHDC PRIORITY
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0070
RUCNMEM/EU MEMBER STATES COLLECTIVE

UNCLAS DAMASCUS 001510

SIPDIS

SENSITIVE
SIPDIS

NEA/ELA
NSC FOR ABRAMS/DORAN/SINGH
TREASURY FOR GLASER/LEBENSON
EB/ESC/TFS FOR SALOOM

E.O. 12958: N/A
TAGS: [EAIR](#) [ECON](#) [ETTC](#) [SY](#) [SANC](#)
SUBJECT: UNDP AGREES TO HELP SARG LEASE AIRPLANES

REF: 04 DAMASCUS 5979

11. (U) On April 4, local press reported that a UNDP expert was consulting with Syrian officials from the Ministry of Transportation, the Civil Aviation Establishment, and Syrian Arab Airlines regarding SyrianAir's desire to lease commercial airplanes. The UNDP expert's visit is part of a project that began on January 17, when representatives of the UNDP signed a preliminary agreement with the SARG to fund a report to help SyrianAir negotiate a lease of airplanes. The cost of the entire project is projected to be USD 258,000 of which UNDP committed to fund USD 120,000. Specifically, the report is intended to help SyrianAir identify the types and number of aircraft it should lease and the probable costs. The International Civil Aviation Organization (ICAO) is reportedly also involved in the project though its level of funding or technical support is currently unclear.

12. (U) SyrianAir has been trying unsuccessfully to update its aging, mixed fleet of Boeing and Airbus aircraft for years. On October 17, 2004, the state-owned SyrianAir issued a tender for seven new aircraft (reftel). Airbus was the only company to submit a bid on the tender. According to Syrian law, a tender cannot be awarded on the first round unless more than one bid is submitted, though it can be awarded to a sole bidder on the second round. Airbus declined to resubmit its bid when the tender was reissued citing its potential inability to meet the requirement under the Syria Accountability Act that any aircraft it sold to the Syrians have less than ten percent US content. In the fall of 2005, the SARG decided to pursue leasing as a short term solution to its purchasing problems.

13. (SBU) Comment. The UNDP's support of SyrianAir's efforts to lease aircraft appears limited to compiling the above report and not to involve actual financing of the lease. The local office of the UNDP has, however, slow-rolled our previous requests to meet to discuss this, as well as other, projects. The UNDP's reticence to meet is a relatively recent phenomenon and may reflect its uneasiness after it was subjected to a series of protests last fall following the publication of the first Mehlis report and UNSCR 1636, and concern that our goal in discussing its support for SyrianAir, in this instance, will be to pressure it to desist.
SECHE